Levy of high user charges in rural areas by banks

2145. SHRI S.M. LALJAN BASHA: Will the Minister of FINANCE be pleased to state:

(a) whether it is a fact that Nationalised Bank levy higher user-charges in rural areas than in urban areas;

(b) whether the RBI has allowed such a discriminating policy against rural bank users;

- (c) whether it is a fact that banks charge higher fees for bank drafts, cheque encashment in rural areas;

(d) what is the policy RBI has enunciated in this matter; and

(e) steps proposed to review a policy whereby rural consumers pay more **and** get less services from banks?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI S.S. PALANIMANICKAM): (a) to (e) With effect from September, 1999, banks have been permitted to fix the service charges for various types of services rendered by them, with the approval of their Board of Directors. Therefore, individual banks decide their own service charges. Reserve Bank of India (RBI) has not come across any instance of banks levying higher service charges in rural areas as compared to urban areas,

RBI has requested National Council of Applied Economic Research (NCAER) to carry out a study on the services rendered to Depositors and Small Borrowers in Rural and Semi-urban areas. The objective of the study is to find out the quality of services rendered by branches of commercial banks to their customers, both depositors and small borrowers in rural and semi-urban areas.

Expert **Committee on Income Tax Act**

2146. SHRI LALIT SURI: Will the Minister of FINANCE be pleased to state:

(a) whether there is a proposal under Government's consideration